

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT:
MAY 2008 PROJECT PIPELINE UPDATE

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This report was last updated on 4 June 2008. The information contained on this report will reflect the status of each project and new project entries.

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I. INTRODUCTION AND GUIDE TO EBRD'S PROJECT PIPELINE:

Project finance is the EBRD's core business. The EBRD has committed more than €22.7 billion (about \$29 billion) to both private and state sector projects. All projects provide a number of procurement opportunities. U.S. companies can access information about EBRD's projects through the EBRD's website www.ebrd.com/oppo/procure/oppo/index.htm.

The interval between identification of a project and its approval varies in every case. Each entry in the Project Pipeline identifies the status of a particular project in the project cycle.

After loans are approved, entries are dropped from the Project Pipeline and appear on the Projects Approved page of the EBRD's website.

We would like to draw U.S. companies' attention to the difference between state sector projects, which are followed with international tendering processes, versus procurement under private sector projects, which are completed by the EBRD's client. With procurement under private sector projects, it would be important to contact the EBRD's client directly.

Inclusion of a project in the Bank's Project Pipeline does not imply any commitment on the part of the Bank to finance the project.


New projects, which appear in the Project Pipeline for the first time, are indicated by the abbreviation (N) before the project name. For additional information on any of these projects, interested parties are requested to contact the executing agencies directly and NOT the European Bank.

II. PROJECTS SCHEDULED FOR BOARD CONSIDERATION:

	Project name	Country	Date disclosed
A.	GTC - Galeria Stara Zagora	Bulgaria	27 May 2008
B.	Tajikistan - Dushanbe Solid Waste Management Project	Tajikistan	23 May 2008
C.	Desnagrain	Ukraine	23 May 2008
D.	Advent Central & Eastern Europe IV	Regional	23 May 2008
E.	Kronospan UA - MDF plant	Ukraine	22 May 2008
F.	Saint Nikola Wind Farm	Bulgaria	22 May 2008
G.	KTZ Transtelecom Communication Infrastructure Modernisation	Kazakhstan	22 May 2008
H.	Oslo Marine Group	Russia	22 May 2008
I.	Alchevsk Iron & Steel Works Third Combined Cycle Gas Turbine	Ukraine	22 May 2008
J.	Lipetsk Municipal Infrastructure Project	Russia	22 May 2008
K.	NSE Leasing Framework	Russia	20 May 2008
L.	AIDD Drilling - Second Facility	Regional	20 May 2008
M.	Corridor Vc	Bosnia and Herzegovina	16 May 2008
N.	Sovcombank SME loan	Russia	16 May 2008
O.	Genesis Private Equity Fund II	Regional	16 May 2008
P.	Europlan - RUB SME Loan	Russia	9 May 2008
Q.	Turceni Rehabilitation	Romania	9 May 2008
R.	Bank CenterCredit SME/MSE Loan	Kazakhstan	9 May 2008
S.	ARX Private Equity Fund	Regional	9 May 2008

A.

Project name: GTC - Galeria Stara Zagora

Country:	Bulgaria
Project number:	38893
Business sector:	Property
Public/Private:	Private
Environmental category:	B
Board date:	8 July 2008
Status:	Passed concept review, Pending final review
Date PSD disclosed:	27 May 2008
Date PSD updated:	
Local language translation:	Български превод 
Date translation disclosed:	30 May 2008
Project description and objectives:	<p>The EBRD is considering extending a senior A/B loan for a total amount of EUR 54.6 million. to a Special Purpose Company (“SPC”) 75% owned by Globe Trade Centre S.A. Poland (“GTC” or the “Sponsor”) via its wholly-owned subsidiary GTC Real Estate Investments Bulgaria B.V. and 25% owned by Nasada AD and SGS-Consult EOOD (the “Minority Partners”). The SPCs will be established to acquire, develop and manage a commercial retail centre in Stara Zagora, Bulgaria.</p> <p>The facility will support the expansion of the Sponsor to regional cities in Bulgaria and diversification into the retail segment.</p>
Transition impact:	<p>The proposed project will help meet a strong demand for retail facilities of international standards in Bulgarian regional cities and attract quality tenants to the local market. Furthermore, the project will introduce improved business standards in the areas of real estate management by GTC, as well as in the areas of sales, marketing and management by international retail brands.</p> <p>Finally, by being the first investment grade shopping mall in the region, the project will have a strong demonstration effect. The Bank will support this commercially effective structure to create a replicable practice in the financial markets.</p>

The client:	GTC has been active as a developer in the Central Eastern European real estate markets since 1994, operating in 9 countries, including Poland, Czech Republic, Hungary, Romania and Serbia and Montenegro. GTC has positioned itself as one of the leading developers in CEE with over 1,500,000 sqm of office, retail and residential space under different stages of development. It is listed on the Warsaw Stock Exchange since May 2004 and is also a member of various prestigious equity indexes, such as the WIG 20, MSCI, GPR 250 and CAIB REX.
EBRD finance:	Senior A/B Loan in total amount of EUR 54.6 million.
Total project cost:	To be confirmed.
Environmental impact:	<p>Screened B/1. The Project requires a site audit and an environmental analysis. The project could involve some specific environmental issues which can be readily addressed.</p> <p>The Sponsor is the Bank's existing client. The environmental due diligence including the review of the completed Environmental Questionnaire for Property Project to date confirms that there are not any significant environmental issues to prevent the project to be further developed and the site is suitable for the project purpose: the soil test was carried out on the site, and there are no soil contamination on the site; the geological survey did not identify any significant issues; the environmental study was carried out in accordance with the national requirements which confirms that there are not any significant environmental issues; a new municipal waste water treatment plant in Stara Zagora which treats the waste water from the project is currently being built with the Bank's finance; construction materials containing harmful substances such as asbestos and formaldehyde will not be used for the project; design solutions for disabled access such as designated parking space, lowered sidewalks, lifts, disabled toilets will be implemented; and fire protection provisions such as fire detection and automated fire alarm, and sprinkler will be installed. A site visit by the Bank's environmental staff is underway to confirm environmental and social mitigation measures are adequately in place.</p> <p>An Environmental Action Plan (EAP) should be developed and agreed for the project in order to ensure</p>

the implementation of adequate mitigation measures. The project will be required to comply with national and EU environmental, health and safety standards and requirements, implement an EAP and submit an Annual Environmental Report to the Bank. The Bank will monitor the project's environmental performance during the life of the project through a review of the Annual Environmental Report as well as monitoring visit where necessary and adequate.

Technical cooperation:

None.
For consultant opportunities for projects financed by technical cooperation funds, visit [procurement of consultants](#).

Company contact:

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EBRD contact:

Michele Small, Operation Leader: smallm@ebrd.com

Business opportunities:

For business opportunities or procurement, contact the client company.

General enquiries:

EBRD project enquiries not related to procurement:
Tel: +44 20 7338 7168; Fax: +44 20 7338 7380
Email: projectenquiries@ebrd.com

B.

Project name: Tajikistan - Dushanbe Solid Waste Management Project

Country: Tajikistan

Project number: 36339

Business sector: Municipal and environmental infrastructure

Public/Private: Public

Environmental category:

Board date:

Status: Inactive

Date PSD disclosed:
Date PSD updated:

23 May 2008

**Project description
and objectives:**

The Project objectives are to assist the City of Dushanbe to: rehabilitate the existing landfill site and collection points, supply new landfill equipment; and supply new collection vehicles, containers and equipment. Other objectives include assisting the City to re-organise and improve solid waste collection and disposal in Dushanbe.

Transition impact:

- Technical co-operation to help the City of Dushanbe to consolidate the existing waste collection departments into a single municipal corporation and to develop a business and corporate development plan for the new municipal corporation.
- New tariffs will be implemented to enable the waste collection service provider to cover its costs while protecting low income families from hardship.
- Skills and knowledge transfer will take place during project preparation and implementation plus training and new skills will be provided directly by the technical co-operation programmes.
- The operation will have a demonstration effect as the first example of co-operation between the EBRD and a Tajik municipality to finance a solid waste project.

The client:

The City of Dushanbe

EBRD finance:

Up to USD 4 million (EUR 2.56 million equivalent) loan to the City of Dushanbe with a sovereign guarantee of the Republic of Tajikistan.

Total project cost:

USD 11.71 million (EUR 7.5 million equivalent).

Environmental impact:

Screened B/1.
The project will bring substantial environmental, health and safety benefits to the City of Dushanbe and surrounding communities by providing an adequate and affordable municipal waste

management system. However, the rehabilitation of the existing landfill serving the City of Dushanbe may be associated with a number of environmental issues resulting from its current operations and past use. An Environmental Audit of the City of Dushanbe municipal solid waste management system including the exiting landfill site will need to be carried out to identify and assess any environment-related risks and liabilities, such as soil, groundwater and surface water contamination. A detailed Site Environmental Analysis will be carried out to identify and assess environmental, health and safety issues associated with the rehabilitation programme and to determine measures for their mitigation. The project components will need to meet national and EU environmental standards.

**Technical
cooperation:**

Pre-signing

Financial, technical, environmental, and social impact due diligence plus environmental field investigations of the landfill site - financed by the Swedish International Development Agency.

Post-signing

- Support to the Project Implementation Unit plus Engineering Design and Construction Supervision Services – donor funding to be identified
- City and Corporate Development Programme to help the City of Dushanbe re-organise and improve solid waste collection and disposal in Dushanbe – donor funding to be identified.

For consultant opportunities for projects financed by technical cooperation funds, visit [procurement of consultants](#).

EBRD contact:

Paul Covenden, Operation Leader:
covendep@ebrd.com

**Procurement or tendering
opportunities:**

Visit [EBRD Procurement](#)
Enquiries: Tel: +44 20 7338 6794; Fax: +44 20 7338 7472, Email: procurement@ebrd.com

General enquiries:

EBRD project enquiries not related to procurement:
Tel: +44 20 7338 7168; Fax: +44 20 7338 7380

Email: projectenquiries@ebrd.com

C.

Project name: Desnagrain
Country: Ukraine
Project number: 39261
Business sector: Agribusiness
Public/Private: Private
Environmental category: C
Board date: 8 July 2008
Status: Passed concept review, Pending final review
Date PSD disclosed: 23 May 2008
Date PSD updated:
Local language translation: [Переклад українською мовою](#) 
Date translation disclosed: 2 June 2008

Project description and objectives:

The EBRD is considering providing a 5-year working capital loan of up to USD 30 million for Desnagrain that the company will use to finance part of its working capital requirements to supply farms with necessary inputs such as certified seeds for malting barley and fertilizers and to buy grains and oilseeds at harvest.

Transition impact:

The Bank's finance will support the Ukrainian farmers with the necessary inputs (certified seeds and appropriate fertilisers) and technical advice to ensure the production of high value malted barley. The Project links the cash being generated in the beer sector directly back to Ukrainian farming by creating the logical economic linkages including pre-financing to farmers. This will provide increased cash flow to continue restructuring of the sector. In addition, Desnagrain will work closely with farmers to improve the quality and yield of their crops through agronomic assistance and training. Farmers will to a large extent be able to apply these improved farming skills to their other productions, which will provide them with better overall returns and profitability.

The client:	Desnagrain Limited is a limited liability company registered in Ukraine and a 100% subsidiary of Champagne Cereales, (France).
EBRD finance:	USD 30million revolving working capital loan.
Total project cost:	tba
Environmental impact:	The project is screened C/1 and is not associated with any significant environmental impacts. The Company has completed an environmental and social questionnaire which has been reviewed and accepted by the Bank. The Company is involved in traditional activities as storage of grains and seeds production , therefore the environmental, health and safety issues associated with this project are very limited.The Company will be required to continue compliance with national environmental, health, safety, labour requirements, any applicable EU standards and to provide an annual report to the Bank
Technical cooperation:	None. For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants .
Company contact:	Polina Kredisova (CFO) DESNAGRAIN LLC 13 Pymonenko Str. Business City Forum - Office 5B/11 04050, Kiev, Ukraine
EBRD contact:	Marc Van Strydonck, Operation Leader: strydonm@ebrd.com
Business opportunities:	For business opportunities or procurement, contact the client company.
General enquiries:	EBRD project enquiries not related to procurement: Tel: +44 20 7338 7168; Fax: +44 20 7338 7380 Email: projectenquiries@ebrd.com


D.

Project name:	Advent Central & Eastern Europe IV
Country:	Regional

Project number:	38532
Business sector:	Equity funds
Public/Private:	Private
Environmental category:	FI
Board date:	20 November 2007
Status:	Signed
Date PSD disclosed:	23 May 2008
Date PSD updated:	
Project description and objectives:	The EBRD is considering investing up to 10% of total commitments, not to exceed EUR 100 million, in a regional private equity fund with a target size of EUR 750 million. The fund will seek to invest directly in equity and equityrelated securities of companies operating in Central and south-eastern Europe as well as Ukraine.
Transition impact:	The transition impact of the proposed project would come from the following three areas: institution building and development of sustainable private equity managers in the region, restructuring of investee companies and accelerating the creation and development of industry leaders in the region, and demonstration effects of new ways to finance activities in less advanced transition countries, including the use of leverage.
The client:	Advent Central & Eastern Europe IV L.P. will be a Cayman Islands exempted limited partnership.
EBRD finance:	The Bank will invest up to 10% of total commitments, not to exceed EUR 100 million.
Total project cost:	The fund's target size is EUR 750 million.
Environmental impact:	The fund will carry out its operations in accordance with the EBRD's Environmental Procedures for Private Equity Funds. The procedures include compliance with the Bank's Environmental Exclusion and Referral List. The fund will be required to submit annual environmental reports to the EBRD. Investee companies will be required to comply, at a minimum, with all applicable national health, safety, environmental and public information/consultation requirements.

Technical cooperation:	None. For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants .
Company contact:	Chris Mruck, Partner. Advent International plc 111 Buckingham Palace Road London SW1W 0SR Tel: +44 020 7333 5518 Fax: +44 020 7333 0801
EBRD contact:	Michael Bastholt, Operation Leader: bastholm@ebrd.com
Business opportunities:	For business opportunities or procurement, contact the client company.
General enquiries:	EBRD project enquiries not related to procurement: Tel: +44 20 7338 7168; Fax: +44 20 7338 7380 Email: projectenquiries@ebrd.com

E.

Project name:	Kronospan UA - MDF plant
Country:	Ukraine
Project number:	39310
Business sector:	
Public/Private:	Private
Environmental category:	B
Board date:	25 June 2008
Status:	Pending concept review
Date PSD disclosed:	22 May 2008
Date PSD updated:	
Local language translation:	Переклад українською мовою 
Date translation disclosed:	27 May 2008
Project description and objectives:	The proposed project is for the installation of a medium-density fibre ("MDF") board production line at the

Kronospan UA plant in Novovolynsk in Western Ukraine. The investment will also include a lacquering line.

A previous EBRD project with Kronospan UA (signed in 2006) was for the installation of two particleboard production lines. The new MDF line will effectively replace one of the particleboard lines.

Transition impact:

The transition impact of this project derives from the fact that there is currently no MDF producer in Ukraine, i.e. Kronospan will be introducing a new type of production to the Ukrainian economy. This will provide competition to the importers who are currently the only sellers of MDF in Ukraine.

Furthermore, the new production line for MDF will transfer skills from the Kronospan group (which is the global leader in MDF production) to staff at the Ukrainian plant. Kronospan maintains in Slovakia a training centre in which staff from Kronospan's global operations is being trained in the latest wood technologies. This skill transfer can be expected to benefit the wood processing sector in Ukraine as a whole.

The client:

Kronospan UA (the "Company"), a limited liability company wholly owned by Kronospan Holdings East Limited, Cyprus, which is part of the Kronospan group of enterprises, the leading global producer of wood based panels.

EBRD finance:

EUR 28.5 million loan to the .Company. A portion of the loan will be syndicated to commercial banks.

Total project cost:

EUR 47 million.

Environmental impact:

Screened B/0. The construction and operation of a new Medium Density Fibreboard (MDF) production line is typically associated with limited direct environmental, health and safety issues, which can be readily identified and assessed as well as efficiently mitigated with modern technology and project design. The new MDF line will be installed within existing Kronospan site. The distance to the closest permanent residential area, the village of Panasivka with 250 inhabitants, is approximately 300 m. There are no schools, protected areas, sources of drinking water, historical sites or other sites requiring special consideration for environmental protection in the vicinity of the site. The MDF line will be

installed instead of the second particleboard line. The environmental issues associated with the project can be readily identified, assessed and mitigated and be adequately addressed in an Environmental Analysis. The change to the environmental impact of the original project consisting of two particleboard lines is limited. For the above mentioned reasons the project was screened B/0, requiring an Environmental Analysis. The environmental investigations are under way. This section will be updated and amended upon the completion of the environmental due diligence.

Technical cooperation:

None.
For consultant opportunities for projects financed by technical cooperation funds, visit [procurement of consultants](#).

Company contact:

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EBRD contact:

Holger Muent, Operation Leader: muenth@ebrd.com

Business opportunities:

For business opportunities or procurement, contact the client company.

General enquiries:

EBRD project enquiries not related to procurement:
Tel: +44 20 7338 7168; Fax: +44 20 7338 7380
Email: projectenquiries@ebrd.com

F.

Project name: Saint Nikola Wind Farm
Country: Bulgaria
Project number: 38838
Business sector: Power and Energy
Public/Private: Private
Environmental category: A
Board date: 22 July 2008

Status:	Passed concept review, Pending final review
Date PSD disclosed:	22 May 2008
Date PSD updated:	28 May 2008
Project description and objectives:	<p>The EBRD is considering a long-term debt financing of up to EUR 90 million for the construction and operation of a 156MW wind farm located in the Kavarna region, in the north-eastern part of Bulgaria about 3km inland from the Black Sea. The project will contribute approximately 1% of Bulgaria's energy consumption and will significantly increase Bulgaria's wind generation capacity, as currently only one other large scale farm (35MW) has been constructed in the country.</p>
Transition impact:	<p>The transition impact of the project stems primarily from:</p> <ul style="list-style-type: none"> • The expansion of the renewable energy markets in Bulgaria: the project supports the country in achieving its target of sourcing 11% of its electricity consumed from renewable sources by 2010 and 16% by 2020, as per its commitment to the EU. • Strengthening the frameworks for renewable energy markets: the project has the potential to help solidify the new renewable energy legislation in Bulgaria. • Knowledge transfer of building and operating large scale wind farms - the Sponsor (AES) has considerable experience in similar projects. • Demonstration effect: the Bank's participation will ensure that the project is implemented in accordance with best practise in Environmental Impact Assessment.
The client:	<p>AES GEO Energy Ltd is a special purpose vehicle set up for the partnership between AES (the project Sponsor) and its Bulgarian partner, GeoPower.</p> <p>AES has significant experience in the wind farm sector with more than 1000MW of wind facilities in the US, a global wind project pipeline of 4000MW (at various stages of development) and has successfully</p>

constructed multiple large-scale wind projects (100+ MW).

EBRD finance:

Long-term debt financing of up to EUR 90 million.

Total project cost:

Estimated at approximately EUR 258 million.

Environmental impact:

Environmental classification and rationale

The project has been screened A/0, requiring an environmental impact assessment (EIA) in line with the Bank's Environmental Policy (2003) and Public Information Policy. The project classification was based on the location of the site and the possible impacts that the project may have on the Via Pontica bird migratory route. The project was subject to Bulgarian EIA requirements and an EU compliant EIA was undertaken in 2006-2007, with a permit issued in March 2007.

Due diligence undertaken and outcomes

An environmental due diligence was undertaken of the Project by an independent international consultant, inclusive of site visit's and meetings with the local regulators, the developer and their technical and environmental advisors.

The project will consist of 52 wind turbines each of 3 MWe located on the community land of the villages of Bulgarevo, Sveti Nikola, Hadji Dimitar, Rakovski and Porouchik Chounchevo, Kavarna Municipality, Bulgaria. The project forms part of Bulgaria's renewable energy commitments.

The main issue identified as prior to the due diligence is the possible impact of the project on avifauna, notable migratory birds. The project site is located near the cape Kaliakra area, which is a coastal headland with vertical limestone cliffs and many caves with relict steppe vegetation inland. The cape acts as a bottleneck for birds on autumn passage and part of the cape has been designated a Natura 2000 site of significant importance in terms of the EU Habitat's Directive. The bird migratory route is referred to as the Via Pontica.

The site is located away from the sensitive steppe areas, residential areas and a minimum of 3 km inland from the coast. The project may affect migratory birds under very

specific weather conditions but appropriate mitigating factors would be implemented to address this identified risk such as switching off turbines if radar and/or professional ornithologist observers indicated that migratory birds may be at risk. The due diligence confirmed that, taking account of commitments to mitigation, there will be no significant negative impacts to any Natura 2000 sites or avifauna.

The Sponsor has undertaken an Environmental Impact Assessment (EIA) as required by Bulgarian environmental law and obtained relevant permits. The EIA has been undertaken in accordance with the Bulgarian transposition of the EU EIA Directive, as amended. As part of the baseline assessment a comprehensive bird survey was undertaken of the site and the EIA was subject to Bulgarian public consultation requirements. The EIA process and scope of assessments was reviewed during the due diligence and additional expert opinions provided by independent experts. The EIA process was found to be broadly in line with EU requirements. The due diligence confirmed that the environmental assessment has met the Bank's requirements, although additional actions and studies are necessary in order to further refine site – specific aspects of the Environmental Action Plan for the project prior to Board consideration.

As part of the EIA process, the developer has agreed to the following:

- Commitment to work with the local authorities and stakeholders to develop a bird sanctuary in this area and not to develop wind turbines in sensitive areas (particularly close to the coast). Furthermore, the Company will provide financial support to maintain such bird sanctuary.
- Establishment of a monitoring plan over 3 years from constructing the project to study the impact of the project on local avifauna and share the results of this study with local regulators and interested stakeholders.
- Install a radar system, which together with visual observation will allow for turbines to be switched

off in case of adverse conditions which could result in a risk of bird collision with the turbines. This process will be documented and a transparent management system developed for the project as part of an environmental management system.

Development of a renewable energy information centre in the project area.

The PSD will be updated upon the completion of the Bank's consultation process within 60 days of issuing the PSD,

Disclosure of information and consultation

The Project is subject to a public consultation and a disclosure plan (PCDP) that has been developed by the Sponsor.

The materials are available in hard copy at the following locations in Bulgaria:

- Geopower / AGE registered office: 38, Chervena stena Str. 1421 Sofia Contact: Dimitar Hristov Tel: +359 2 816 78 10; email: office@yomibg.com
- AES Sofia office (72 Ljuben Karavelov Str, Sofia 1000, Bulgaria) contact: Gergana Pavlova; email; Gergana.pavlova@aes.com
- EBRD Sofia office (Moskovska 17, Sofia 1000) contact: George Giaouris (also available in London HQ) email: giaouriG@ebrd.com
- AGE / GeoPower Kavarna office, 9650 Kavarna, 28, Dobrotitza Str. Office 4 Contact: Georgi Liapov Tel: +359 887 168 880. Email: glv@abv.bg

The EIA package and Executive Summary have also been released for public review by the project sponsor on its website www.geopowerbg.com and released locally in the following location:

AGE / GeoPower Kavarna office, 38, Chervena stena Str.

1421 Sofia, Contact: Georgi Liapov Tel: +359 887 168 880. Email: glv@abv.bg
Environmental Department, Kavarna Municipality, 9650 Kavarna, 50 Dobrotitsa str. Contact : Miglena Hristova, Phone: +359 (570) 8 23 08, Email: obshtina@kavarna.bg
Additionally the executive summary is available on the EBRD internet sites at www.ebrd.com

Implementation requirements

The project company will be required to:

(i) provide the Bank with an annual environmental report, including updates on the bird monitoring undertaken, and notification on any material accidents or incidents,

(ii) conduct its business with due regard to National and EU environmental regulations and standards, and

(iii) arrange for periodic environmental audits and monitoring visits by Bank staff or appointed representatives, if and when deemed necessary
There is an [Environmental Impact Assessment](#) available for this project.

Technical cooperation:

None
For consultant opportunities for projects financed by technical cooperation funds, visit [procurement of consultants](#).

Company contact:

John N. Bottomley, Project Director :
john.bottomley@aes.com
Teodor Bobochikov, General Manager:
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Tel: +359 (2) 988 12 75

EBRD contact:

Georgios Giaouris, Operation Leader:
giaourig@ebrd.com

Business opportunities:

For business opportunities or procurement, contact the client company.

General enquiries:

EBRD project enquiries not related to procurement:
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Email: projectenquiries@ebrd.com

G.

Project name:	KTZ Transtelecom Communication Infrastructure Modernisation
Country:	Kazakhstan
Project number:	39202
Business sector:	Transport
Public/Private:	Public
Environmental category:	B
Board date:	22 July 2008
Status:	Passed concept review, Pending final review
Date PSD disclosed:	22 May 2008
Date PSD updated:	30 May 2008

Project description and objectives:

The EBRD is considering arranging a senior A/B loan of USD 105 ml, to be syndicated to commercial banks, to extend the construction of a fibre optic communications network along the railway tracks of Kazakhstan Temir Zholy – Kazakhstan's National Railways Company (KTZ). The project is initiated by JSC Transtelecom. The project has a dual purpose:

1. To upgrade the obsolete signalling and communication network of KTZ.
2. To provide extension and expansion of Transtelecom's commercial long-distance data transmission service capabilities.

The project will be procured in accordance with EBRD's Procurement Policies and Rules.

Transition impact:

The project will help to facilitate KTZ's corporate restructuring plan by making its subsidiary (JSC Transtelecom) more independent and based on market relationships. The project will also create greater competition in the Kazakh telecommunication sector via enhancing the scope of Transtelecom's market activities whilst at the same time expanding railway infrastructure capacity, thus improving the base for economic growth.

The client:

JSC Transtelecom is 100% subsidiary of KTZ. It is the only telecom services provider to KTZ, which also provides services to national and international telecommunications operators over its fiber optic cable network.

EBRD finance:

EBRD is considering arranging a senior A/B loan of USD 105 ml to be syndicated to commercial banks.

Total project cost:

USD 135 million.

Environmental impact:

1. Screening category and justification

Screened B/1. The Bank's funding will be directed toward capital expenditure for equipment and civil works. The Project, however, is unlikely to be associated with any significant environmental impacts.

The project requires a corporate environmental audit and environmental analysis of the project.

2. Due diligence undertaken and outcomes

The project involves the underground installation of the special polyethylene pipe at the depth of 1.2 meters along the existing train tracks. The project involves no significant environmental impacts. The completed Environmental Questionnaire (May 2008) confirms the following: the project design documentation and the cable route are approved by the all relevant institutions; the list of the approvals was checked by the state environmental expertise which is required for the project; the project takes place along the railway tracks mainly in the non-populated step areas; the cable routes do not pass through the nature reserves; the project does not include the construction of high voltage transmission lines, micro wave radio towers or satellite dishes; the project does not include the use of hazardous materials, substances and equipment; and the civil work will be conducted in accordance with the national labour code.

3. Implementation requirements

The project is required the following: to ensure that the project complies with national and EU environmental, health and safety standards, local and national public consultation requirements, national employment laws and standards and Conventions of the International Labour Organisation related to the employment of children, discrimination at work, and forced labour; to submit an annual report on environmental, health and safety issues; and to report immediately to the Bank any material environmental issues associated with the project. The Bank will monitor the project's environmental and social performance during the life of the project by reviewing Annual Environmental Report and site visits if necessary and appropriate.

Technical cooperation:

None.

For consultant opportunities for projects financed by technical cooperation funds, visit [procurement of consultants](#).

EBRD contact:

Zhanar Rymzhanova, Operation Leader: rymzhanz@ebrd.com

Procurement or tendering opportunities:

Visit [EBRD Procurement](#)

Enquiries: Tel: +44 20 7338 6794; Fax: +44 20 7338 7472, Email: procurement@ebrd.com

General enquiries:

EBRD project enquiries not related to procurement:

Tel: +44 20 7338 7168; Fax: +44 20 7338 7380

Email: projectenquiries@ebrd.com

H.

Project name: Oslo Marine Group


Country: Russia

Project number: 38608

Business sector:	Transport
Public/Private:	Private
Environmental category:	
Board date:	30 September 2008
Status:	Passed concept review, Pending final review
Date PSD disclosed:	22 May 2008
Date PSD updated:	
Project description and objectives:	<p>The Bank's financing will assist Oslo Marine Group in financing the modernisation and upgrading of the superstructure and infrastructure of the Vyborg Port which is a multi-purpose port situated in the Gulf of Vyborg, about 113km from St. Petersburg. The work will include replacing the port equipment; repairs of road and internal rails; upgrade and expansion of berths; increase containers storage and warehouses; improve administration, customs clearance and security offices.</p> <p>The project will generally modernise the Port; increase its cargo throughput capacity; and improve operational efficiency and raise it to international standards.</p>
Transition impact:	<p>The Project will support a private port operator to modernise and upgrade its facilities at Vyborg Port. It will help to ease congestion of port and transport infrastructure in North West Russia, thus facilitating the country's international trade from this region. The Project will also promote increase in efficiency and competition particularly in the container and Ro-Ro sectors. In addition, the EBRD's involvement will help to raise the environment and safety of ports to international standards.</p>
The client:	<p>OOO Port Vyborg (a limited company), which is a 100% subsidiary of Oslo Marine, will be the operating company.</p>
EBRD finance:	<p>A senior loan of up to EURO115 million, to be structured as A/B Loan. EBRD will fund the A Loan while B Loan will be syndicated to commercial B Lenders</p>
Total project cost:	Up to EURO 233 million.
Environmental impact:	<p>The Project was screened IEE. The Bank will conduct an Initial Environmental Examination (IEE) to determine the</p>

	environmental screening category and the Bank's environmental due diligence and consultation requirements for this project.
Technical cooperation:	none. For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants .
Company contact:	Website: http://www.oslo.ru/en/
EBRD contact:	Lai Chan Rasti, Operation Leader: rastil@ebrd.com
Business opportunities:	For business opportunities or procurement, contact the client company.
General enquiries:	EBRD project enquiries not related to procurement: Tel: +44 20 7338 7168; Fax: +44 20 7338 7380 Email: projectenquiries@ebrd.com

I.

Project name:	Alchevsk Iron & Steel Works Third Combined Cycle Gas Turbine
Country:	Ukraine
Project number:	38780
Business sector:	General manufacturing
Public/Private:	Private
Environmental category:	A
Board date:	25 June 2008
Status:	Passed concept review, Pending final review
Date PSD disclosed:	22 May 2008
Date PSD updated:	
Local language translation:	Переклад українською мовою 
Date translation disclosed:	3 June 2008
Project description and objectives:	The proposed project is to construct a third 151.5 MW combined cycle gas turbine (CCGT) generating facility (the Facility) at Alchevsk Iron and Steel Works (AMK) in Lugansk Oblast Ukraine. The Facility will use waste

gasses from AMK and the adjacent Alchevsk Coke Works (ACW) to generate electricity. Together with the first two CCGTs it will meet all the increased electricity demand of AMK after the current expansion programme is complete and supply surplus electricity to the Ukrainian wholesale electricity market.

Transition impact:

The proposed project will have reinforce the strong demonstration effect of a successful restructuring and modernisation of an industrial facility that will be provided by the first two CCGTs. It will bring about further energy efficiency improvements at AMK and further reduce emissions of waste gases into the atmosphere at Alchevsk, helping to bring levels of atmospheric pollution closer to those in developed economies and within World Bank and EU standards. It will also reduce emissions of carbon by an estimated 2.9 million tonnes per annum. The Bank's ongoing environmental requirements should continue to reinforce better standards of environmental management for the longer term.

The client:

ISD, AMK and affiliates. ISD is the largest producer of steel in Ukraine. ISD's steel business in Ukraine comprises two major steelworks, Alchevsk Iron and Steel Works (AMK), and Dniprovsky Iron and Steelworks (DMK). ISD also owns ACW, Dunafer, a Hungarian steel producer, and Huta Częstochowa in Poland.

EBRD finance:

The Bank will provide a loan of USD 125 million of which a portion will be syndicated to other lenders.

Total project cost:

USD 191 million.

Environmental impact:

The Project was screened A/0 and required an update of the existing Environmental and Social Impact Assessment (ESIA) for the original Combined Cycle Gas Turbine (CCGT) Project approved in 2006. The EIA undertaken by independent consultants has shown a net positive impact of the Project. The environmental due diligence did not identify any significant material issues associated with the Project and confirmed that it has been structured in accordance with national and EU environmental standards. The new CCGT plant will be located adjacent to the existing steel plant and it will utilise process off-gases from the coke ovens, converters, and blast furnaces. Natural gas will not be required for routine operation of the CCGT plant.

The plant will utilize waste gases, which otherwise would have to be flared, thereby reducing the environmental impact of the plant. The new power plant will be using state-of-the-art pollution control technology and meet all the relevant EU and Ukrainian emission, notably as specified by the EU Large Combustion Plant Directive. An environmental management system and continuous monitoring will be incorporated into day-to-day operations of the CCGT plant.

The new CCGT unit will utilise waste gases from the coke ovens, converters, and blast furnaces which otherwise would have to be flared, thereby reducing the environmental impact of the plant. The Project will improve the efficiency and reduce the environmental impact of the steel plant, notably in terms of emission of carbon dioxide. The Project will cumulatively generate on average 3,165 GWh of electricity per annum (on a net basis) of which incremental 1,055 GWh by the third unit using exclusively recovery gases from steelmaking works. The amount of electricity generated will fully cover electricity demand following modernisation and expansion of capacity of steel operations. Excess electricity generated will be supplied to the grid. The project is expected to lead to a significant reduction of emissions of GHG by eliminating use of electricity from the grid. The carbon emission factor of the Ukrainian electricity grid is rather high due to the fuel mix and operating characteristics. Overall, after installation of the third CCGT, green house gas (GHG) emissions are anticipated to be reduced by more than 2.8 million tonnes CO₂ equivalent per annum. This would be equivalent to the annual carbon emissions from households of a city of 1.1 million in Britain.

A sanitary zone is required to be created around the plant. A Resettlement Action Plan (RAP) has been developed for the required resettlement associated with the original two turbine version of the project. This RAP has also been updated taking into account the third turbine. AMK has undertaken a public consultation and disclosure programme, in compliance with national and EBRD requirements. The public consultation process undertaken to date did not result in any negative responses. The updated ESIA and RAP were published locally and on the Bank's web site on 13th of March as part of consultation according to the Bank's policy.

Legal documents include that the Borrower will need to carry out the project in accordance with Ukrainian law and EU environmental standards, to provide annual environmental, health and safety report, and to notify the Bank on material issues and accidents and compliance with Core Labour Standards. Monitoring visits by Bank staff or appointed representative will need to be allowed during the construction and operation periods, if deemed necessary.

There is an [Environmental Impact Assessment](#) available for this project.

Technical cooperation:

None.

For consultant opportunities for projects financed by technical cooperation funds, visit [procurement of consultants](#).

Company contact:

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EBRD contact:

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Business opportunities:

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J.

Project name:	Lipetsk Municipal Infrastructure Project
Country:	Russia
Project number:	34523
Business sector:	Municipal and environmental infrastructure
Public/Private:	Public
Environmental category:	B
Board date:	22 July 2008
Status:	Passed concept review, Pending final review
Date PSD disclosed:	22 May 2008
Date PSD updated:	

**Project description
and objectives:**

The proposed project would consist of a senior loan of up to RUB 740 million (equivalent to EUR 20 million) to Lipetsk Municipal Energy Company LLC. The company provides district heating, electricity distribution, water supply and sewage services in the City of Lipetsk. The Company will be majority owned by the Municipality of Lipetsk together with a minority private partner.

The project will finance the rehabilitation and upgrading of Lipetsk's electricity distribution, district heating and water supply and sewerage networks with the objective to improve efficiency of operations and the quality of utility services provided to the citizens of Lipetsk.

The City of Lipetsk will provide a financial guarantee to the project. The political support to the project will be ensured through a project support letter with the Lipetsk Oblast.

Transition impact:

The proposed project will have an impact on the transition process through:

1. adjustment of tariff structure to achieve full cost recovery and long-term financial sustainability of the district heating, electricity distribution and water and wastewater sectors in the City;
2. billing according to actual consumption, motivating end-users to economize natural resources;
3. transfer of skills during the implementation phase including the procurement, design, installation and contracts supervision in accordance to the best available international engineering practice.
4. Demonstration effect of the efficient institutional set up of a municipal utility, covering tariff policy, performance benchmarking, transparency and corporate governance through adoption of service contracts between the City of Lipetsk and the Company, adoption of IFRS financial reporting.

The client:

The borrower will be Lipetsk Municipal Energy Company LLC (the Company).

EBRD finance:

Loan of up to RUB 740 million (equivalent to EUR 20 million) to the Lipetsk Municipal Energy Company LLC.

Total project cost:

RUB 920 million (equivalent to ~ EUR 25 million).

Environmental impact:

Screened B/1. The project is expected to have significant positive environmental impact due to improved quality and efficiency of district heating, electricity distribution, water supply and sewage services in the City of Lipetsk. The extent of the environmental benefits will depend on the scope of the priority capital investments programme. The environmental due diligence will be part of the Feasibility Study and will bring forward environmental considerations to be taken into account during the selection of the priority investment components.

This section will be amended upon completion of the Feasibility Study.

Technical cooperation:

The Feasibility Study for the Project was prepared by COWI Consult International and was financed by the Company. For consultant opportunities for projects financed by technical cooperation funds, visit [procurement of consultants](#).

EBRD contact:

Iliyana Tsanova, Operation Leader: tsanovai@ebrd.com


Procurement or tendering opportunities:

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General enquiries:

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K.

Project name:	NSE Leasing Framework
Country:	Russia
Project number:	38875
Business sector:	General manufacturing
Public/Private:	Private
Environmental category:	FI
Board date:	25 June 2008
Status:	Passed final review, Pending board approval
Date PSD disclosed:	20 May 2008
Date PSD updated:	
Local language translation:	Перевод на русский 
Date translation disclosed:	3 June 2008

Project description and objectives:

The project will establish a USD 75 million leasing framework facility on a risk sharing basis between NSE, Ltd. (NSE), which is a Russian subsidiary of Nippon Steel Trading Co., Ltd. (Nippon), and the EBRD. The facility will provide lease financing to Russian companies modernising or expanding their fleet of construction and mining machinery.

Sub-projects:

When sub-projects are signed they will be listed here.

Transition impact:

The transition impact potential will be derived from the following:

- The project will support the expansion of the Russian leasing industry and enhancement of competition in construction machinery sector.
- The project will also contribute to market-based

conduct, skills and innovation, through implementation of high standards of business practices and market behaviour, thereby achieving an important demonstration effect in the sector in which it will operate.

- Finally, the project will facilitate provision of financing to small and medium-sized companies, which in general lack access to affordable financing mechanisms.

The client:

The beneficiaries of the proposed financing will be Russian end-users of equipment leased by NSE, including small and medium sized construction and mining companies. NSE will act as project sponsor and lessor, providing financing for 100% of the leases' amount and taking a risk share of up to 80% in each lease transaction.

EBRD finance:

Up to USD 37.5 million, through an-unfunded risk participation.

Total project cost:

Up to USD 75.0 million.

Environmental impact:

EBRD's Environmental Procedures for Leasing Companies will apply to this operation. Activities prohibited by EBRD's Environmental Exclusion List are excluded from financing. Lessees will be required to comply, at a minimum, with Russian environmental, health and safety and labour regulations and standards, including regulations to protect environmentally sensitive areas. Each Lease Proposal will include an environmental review summary outlining the Lessee's environmental status. In addition, EBRD will receive annual environmental reports.

Technical cooperation:

None.

For consultant opportunities for projects financed by technical cooperation funds, visit [procurement of consultants](#).

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Andrey Kalashnikov, Operation Leader:
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L.

Project name:	AIDD Drilling - Second Facility
Country:	Regional
Project number:	39344
Business sector:	Natural resources
Public/Private:	Private
Environmental category:	B
Board date:	8 July 2008
Status:	Pending concept review
Date PSD disclosed:	20 May 2008
Date PSD updated:	
Project description and objectives:	The EBRD is considering a USD 10 million senior debt to support the growth and expansion of Australasian Independent Diamond Drilling. The EBRD loan will be used to finance the acquisition of drilling rigs and finance the working capital requirements for the company's operations in Mongolia and its business expansion into Kazakhstan. The EBRD became a minority shareholder in the company at the end of 2007.
Transition impact:	The Bank's finance will support the development of the private Mongolian mining drilling services company as a provider of efficient, competitive and affordable drilling services to mining companies in Mongolia and Kazakhstan. The project also supports improvements in corporate governance and transparency as well as the company's successful entrance to the Kazakh market.
The client:	Australasian Independent Diamond Drilling (A.I.D.D.) LLC, a limited liability company established under the laws of Mongolia.
EBRD finance:	USD10 million senior debt.
Total project cost:	USD10 million.
Environmental impact:	The project is categorised B/1. An independent review of the Company's operations was conducted as part of the due diligence on the Company, and included a review of the Company's environmental, and health and safety

("EHS") practices and procedures. The operations of the Company are considered to be relatively low risk from an EHS perspective. The company has documented policies for safety, environment, and employment following Mongolian requirements, at a minimum, and also referencing good international practice, notably Australian standards, where appropriate. Such standards include the introduction of biodegradable, non-toxic and / or non-polluting drilling muds and lubricants. Staff are provided with regular training on the policies and requirements of the Company, a programme that is overseen by an experienced ex-patriot professional. In terms of employment, the Company is an equal opportunities employer operating policies and procedures that comply with national law and good international practice. The Company will be required to provide the Bank with an annual report on the environmental, health, safety and labour issues associated with its operations.

Technical cooperation:

None.

For consultant opportunities for projects financed by technical cooperation funds, visit [procurement of consultants](#).

Company contact:

Mr James Polson (CEO)
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EBRD contact:

Natalia Lacorzana, Operation Leader:
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Business opportunities:


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General enquiries:

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M.

Project name: Corridor Vc
Country: Bosnia and Herzegovina
Project number: 38716

Business sector:	Transport
Public/Private:	Public
Environmental category:	A
Board date:	14 October 2008
Status:	Passed structure review, Pending final review
Date PSD disclosed:	16 May 2008
Date PSD updated:	
Local language translation:	Local translation 
Date translation disclosed:	2 June 2008
Project description and objectives:	<p>The EBRD is considering a EUR180 million sovereign loan to Bosnia and Herzegovina for the construction of new priority motorway sections of the main north-south road through Bosnia and Herzegovina (BiH), known as Corridor Vc, namely:</p> <ul style="list-style-type: none"> • Zenica to Kakanj section (length = 15.2 km); • Vlakovo to Tarčin section (length = 18.9 km); • Pocitelj to Southern Border with Croatia (length = 21.4 km). • Odzak to Norther Border with Croatia (length = 10.9 km). <p>Parallel financing is being considered by the European Investment Bank ('EIB').</p> <p>The objective is to support the development of the motorway network in BiH and to provide support for the institutional strengthening of the Motorway Directorate in the Federation of Bosnia and Herzegovina including assistance to develop a public private partnership (PPP) scheme for remaining sections.</p>
Transition impact:	<p>The project will facilitate transition in the following ways:</p> <ul style="list-style-type: none"> • Supporting transformation of FBHMD from a department within the ministry into a separate legal entity including development of a corporate plan and appropriate management information systems.

- Assisting the authorities and the FBHMD with development of a strategy for public private partnership scheme towards construction of the remaining motorway sections in the Federation of Bosnia and Herzegovina.
- Introduction of fuel levy for motorways development and physical tolls to foster financial independence of the sector.

The client:	The State of Bosnia and Herzegovina (BiH), the Government of the Federation of Bosnia and Herzegovina ("FBH"), one of the two Entities comprising the State, and the Federation of Bosnia and Herzegovina Motorway Directorate (FBHMD).
EBRD finance:	EUR 180 million. Sovereign Loan to Bosnia and Herzegovina, with on lending to the Federation of Bosnia and Herzegovina. The project will be co-financed with the EIB.
Total project cost:	EUR 605 million.
Environmental impact:	<p>The project was screened A/0.</p> <p>The project is likely to be associated with significant environmental issues. EIA's have prepared and are publicly available for all four LOTS and are compliant with the BiH Law on Environment (No: 33/03).</p> <p>A gap analysis undertaken on EIAs and consultation carried out to date against EBRD's requirements identified the following issues: Although the EIA has already been publicly disclosed EBRD will require that a number of additional documents are provided in the public domain so as to meet the Bank's requirements for assessing, mitigating and/or compensating for environmental and social impacts of the project.</p> <p>Public Consultation and Disclosure Plan (PCDP) EBRD requires that public consultation activities, including EBRD's specific public consultation and disclosure requirements for A-category projects, are defined within a plan. The purpose of the Public</p>

Consultation & Disclosure Plan (PCDP) is to define stakeholders who may be affected by the project and to elaborate on how communication will work with each affected group during the Bank's ESIA consultation period. This will need to include information on the EIA consultation that has already been held under the national EIA process, and there should be a section on the plan for future information disclosure and communication with stakeholders during the construction and operation phases of the project (including the public release of an environmental and safety report annually) as well as methods of dialogue handling of comments and concerns.

Land Acquisition and Involuntary Resettlement Plan

EBRD requires that people and businesses that are displaced (physically or economically) by a project receive benefits from it. The Project is seeking to avoid displacement wherever possible and there were good examples provided to support that approach. EBRD will require that a resettlement action plan/process be developed and applied to the whole Corridor (on the territory of the Federation of Bosnia and Herzegovina). This document will need to be made publicly available.

Non-Technical ESIA Summary for the whole Corridor Route

EBRD will require an overarching Executive Summary for the whole Corridor Vc to be prepared and disclosed. EBRD proposes to post this Executive Summary together with the web links to ALL four EIA's on the Banks website.

Corridor Vc Site Selection

EBRD recognises that the route for the corridor for a major motorway through BiH has been established in a process that begun in the late 70's. To meet EBRD policy requirements for public consultation on site selection the Bank will require evidence to support that public consultation on the site selection was carried out in full compliance with the law and a description of how the public was involved in the site selection.

Mitigation measures associated with the project are provided within the EIAs and will also be included within the RAP.

Technical cooperation:

Technical co-operation funds have been sought from the Western Balkans Fund for assistance to the FBHMD with transformation into an independent corporate entity.

Additional funds have been sought from the Central European Initiative for preparation of the Resettlement Framework for the Project.

For consultant opportunities for projects financed by technical cooperation funds, visit [procurement of consultants](#).

EBRD contact:

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Procurement or tendering opportunities:

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N.

Project name: Sovcombank SME loan

Country: Russia

Project number: 39034

Business sector: Lending to banks

Public/Private: Private

Environmental category: FI

Board date:

Status: Passed final review, Pending board approval

Date PSD disclosed: 16 May 2008

Date PSD updated:

Project description and objectives:

The proposed project envisages providing two loans for a total amount of RUB 1,020 million to Sovcombank, a private medium-sized regional bank for on-lending to MSMEs operating in Central Russia, the Urals, Siberia and the Far East. The Project is aimed increasing the financial access of micro, small and medium-sized enterprises in the Russian regions as well as broadening Sovcombank's client outreach.

Transition impact:	<p>The transition impact potential of the Project is expected in the following areas:</p> <ul style="list-style-type: none"> • By supporting private sector MSMEs through the provision of medium and long term funds, the Project will raise the level of financial intermediation in Central Russia, the Urals, Siberia and the Far East and allow EBRD funds to reach sub-borrowers requiring longer-term investment funding, which is currently not available to them. • The project will enhance the ability of a strong regional bank to compete and promote competition in the Russian banking sector. • The Project will facilitate the development of Sovcombank's proprietary MSE scoring system, accounting to international best practice, and to further develop secondary market funding strategies for its MSE loan portfolio.
The client:	<p>Sovcombank is a rapidly developing multi-regional bank headquartered in Kostroma, it has an extensive regional network covering cities and towns of Central Russia. Through its subsidiary ARKA-Finance, Sovcombank operates in the Urals, Siberia and the Far East. Sovcombank provides a wide range of banking services to corporates, MSMEs, individuals and is pursuing a growth strategy with a particular focus on SME, MSE and retail lending.</p>
EBRD finance:	<p>A four-year loan of RUB 530 million (equivalent of EUR 14.3 million) to be provided under the Multi-Product Framework for Medium-Sized Banks and a four-year loan of RUB 490 million (equivalent of EUR 13.3 million) to be provided under the Russian Small Business Fund Framework.</p>
Total project cost:	<p>RUB 1,020 million (equivalent of EUR 27.6 million)</p>
Environmental impact:	<p>tba</p>
Technical cooperation:	<p>Up to EUR 150,000 under the Russia Small Business Technical Cooperation Special Fund ("TCSF"). The</p>

funds will be used to further improve Sovcombank's proprietary scoring system for lending to Micro and Small Enterprises ("MSE") and to help the bank develop secondary funding strategies for its MSE portfolio (e.g. through securitisation).

For consultant opportunities for projects financed by technical cooperation funds, visit [procurement of consultants](#).

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EBRD contact: Ekaterina Grigorieva, Operation Leader:
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Business opportunities: For business opportunities or procurement, contact the client company.

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O.

Project name: Genesis Private Equity Fund II

Country: Regional

Project number: 39220

Business sector: Equity funds

Public/Private: Private

Environmental category: FI

Board date: 17 June 2008

Status: Passed final review, Pending board approval

Date PSD disclosed: 16 May 2008

Date PSD updated:

Project description and objectives: The EBRD is considering committing up to EUR 12 million to a private equity fund with a target size of EUR 60 million. The fund will seek to invest directly in equity and equity related instruments of companies operating in

Czech and Slovak Republics.

Transition impact:	<p>The transition impact of the proposed project would come from the following areas:</p> <ul style="list-style-type: none">(i) institution building and development of sustainable local private equity managers at the lower end of the middle market(ii) demonstration effects of new ways to finance activities in the countries of the region(iii) impact on investee companies through restructuring and implementation of improved business standards, support of extension of cross- border business activities.
The client:	<p>Genesis Private Equity Fund II L.P. will be formed as a Guernsey limited partnership.</p>
EBRD finance:	<p>The EBRD will commit up to EUR 12 million.</p>
Total project cost:	<p>Target size of the fund is EUR 60 million.</p>
Environmental impact:	<p>The Fund will carry out its operations in accordance with the EBRD's Environmental Procedures for Private Equity Funds. The Procedures include compliance with the Bank's Environmental Exclusion and Referral List. The Fund will be required to submit annual environmental reports to the EBRD. Investee companies will be required to comply, at a minimum, with all applicable national health, safety, environmental and public information/consultation requirements.</p>
Technical cooperation:	<p>None.</p> <p>For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants.</p>
Company contact:	<p>Jan Tauber and Radan Hanzl Na Šafránce 22 101 00 Prague 10 Czech Republic Tel.: +420 271 740 207 Fax: +420 271 740 208 E-mail: genesis@genesis.cz</p>
EBRD contact:	<p>Meltem Ankara, Operation Leader: ankaram@ebrd.com</p>
Business opportunities:	<p>For business opportunities or procurement, contact the client company.</p>
General enquiries:	<p>EBRD project enquiries not related to procurement: Tel: +44 20 7338 7168; Fax: +44 20 7338 7380</p>

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P.

Project name: Europlan - RUB SME Loan
Country: Russia
Project number: 38296
Business sector: Non-bank financial institutions
Public/Private: Private
Environmental category: FI
Board date: 17 June 2008
Status: Passed final review, Pending board approval
Date PSD disclosed: 9 May 2008
Date PSD updated:

Local language translation: [Перевод на русский](#) 

Date translation disclosed: 9 May 2008

Project description and objectives:

The proposed project envisages providing a local currency loan of RUB 600 mln (USD 25 mln equivalent) with a maturity of 5 years to Europlan, one of the leading providers of financial leases to small and medium-sized enterprises (SMEs) in Russia.

The RUB facility will enable the Company to provide local currency leases to SMEs in 68 regions where the Company operates.

Transition impact:

The transition impact of this project arises from the following areas:

Increasing access to medium-term Rouble financing for SME's: providing Rouble term funds to finance SMEs will allow EBRD funds to reach sub-borrowers that currently either have access only to short-term Rouble funding or have to carry currency risks.


Increasing competition in the leasing sector: a healthy leasing industry will assist in bringing increased flows of financing to the productive sector of the economy, thereby facilitating growth

	<p>of domestic production. The Bank is looking to support leasing companies that are able to compete on the basis quality of service, responsiveness to clients, and speed of decision-making.</p> <p>Demonstration effect of medium-term funding in Roubles: will promote the provision of Rouble-denominated loans by foreign financiers to Russian banks for longer tenors.</p> <p>Developing a leasing market in the regions. EP has a large regional branch network, which gives it the ability to serve local SMEs throughout 68 regions. The proposed transaction will support Europlan's medium term strategy aimed to further build up its presence all over the country.</p>
The client:	<p>Europlan, headquartered in Moscow, has 41 offices and presence in 68 regions and provides lease financing solutions to successful Russian SMEs.</p>
EBRD finance:	<p>A RUB loan in the amount of RUB 600 million (USD 25 million equivalent) on a maturity of 5 years.</p>
Total project cost:	<p>RUB 600 million.</p>
Environmental impact:	<p>Europlan will be required to comply with EBRD's Environmental Procedures for Intermediated Finance through local leasing companies, including ensuring compliance with the applicable national environmental, health and safety and labour regulations and standards adherence with EBRD's Environmental Exclusion and Referral List and submission of annual environmental reports to the Bank.</p>
Technical cooperation:	<p>None.</p> <p>For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants.</p>
Company contact:	<p>tba</p>
EBRD contact:	<p>Andreea Moraru, Operation Leader: marua@ebrd.com</p>
Business opportunities:	<p>For business opportunities or procurement, contact the client company.</p>

General enquiries:

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Q.

Project name: Turceni Rehabilitation
Country: Romania
Project number: 37696
Business sector: Power and Energy
Public/Private: Public
Environmental category:
Board date:
Status: Passed concept review, Pending final review
Date PSD disclosed: 9 May 2008
Date PSD updated:
Local language translation: [Traducere în limba română](#) 
Date translation disclosed: 30 May 2008

Project description and objectives:

The EBRD is considering arranging up to EUR 300 million in a syndicated loan for the rehabilitation and modernisation of units 3 and 6 of the Turceni power plant (CET) in Romania in order to:

1. Increase availability, efficiency and therewith the reliability of one of the most important power plants in Romania
 2. Extend the units' life time by at least 15 years,
 3. Improve the environmental conditions for complying with the EU environmental directives
 4. Implement a modern automation and control system, fulfilling the UCTE requirements.
- The Project will be procured following EBRD's Procurement Policies and Rules.

Transition impact:

This project will be the first non-sovereign long-term loan to a thermal power plant in Romania. It will demonstrate Romania's extensive progress in market liberalisation by operating as a ring-

fenced, standalone commercial entity competing for market share mainly as a merchant plant.

The client:

CET is the largest thermal power plant in Romania, and second in the merit order, generating roughly 10% of the domestic electricity consumption, with a total installed capacity of 2,310 MW and two open cast lignite mines.

EBRD finance:

EBRD is considering arranging up to EUR 300 million in a syndicated loan to commercial banks, using an A / B loan structure.

Total project cost:

Approximately EUR 500 million.

Environmental impact:

Screened B/1, requiring an environmental audit of the existing power plant and associated lignite mines and an environmental and social analysis of the proposed investment programme. Initial environmental and social investigations have confirmed that the Bank financed rehabilitation project is designed in line with best available techniques (BAT) philosophy and will significantly reduce emissions from the plant. The rehabilitation of units 3 & 6 will enable the plant to comply with the requirements of the EU Large Combustion Plant Directive (LCDP) as well as EU IPPC requirements. Although the plant and associated mines are in compliance with national legislation, the environmental and social due diligence has identified a number of additional investments and improvement to management practices that should be implemented by the Company to bring the power plant and associated lignite mines into line with applicable international practices. These additional improvement measures will be covered as part of an Environmental and Social Action Plan (ESAP) being developed on the basis of the environmental and social due diligence.

The PSD will be updated upon the completion of the environmental and social due diligence prior to presenting the project to Board for consideration.

Technical cooperation:

None.

For consultant opportunities for projects financed by technical cooperation funds, visit [procurement of consultants](#).

EBRD contact: Louis Borgo, Operation Leader: borgol@ebrd.com

Procurement or tendering opportunities: Visit [EBRD Procurement](#)
Enquiries: Tel: +44 20 7338 6794; Fax: +44 20 7338 7472, Email: procurement@ebrd.com

General enquiries: EBRD project enquiries not related to procurement:
Tel: +44 20 7338 7168; Fax: +44 20 7338 7380
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R.

Project name: Bank CenterCredit SME/MSE Loan

Country: Kazakhstan

Project number: 38754

Business sector: Lending to banks, Small business

Public/Private: Private

Environmental category: FI

Board date: 17 June 2008

Status: Passed final review, Pending board approval

Date PSD disclosed: 9 May 2008

Date PSD updated:

Project description and objectives: The project envisages a senior unsecured loan to Bank Center Credit ("BCC") in the total amount of USD 50 million with maturity of 5 years to be used for on-lending to micro, small and medium sized enterprises (MSME) across Kazakhstan.

Transition impact: The project will support the development and expansion of BCC's MSME business at a time when access to financing for small businesses has become particularly difficult in Kazakhstan. A special focus will be given to the distribution of funds through branches outside of Almaty and Astana, the financial and the administrative capitals of Kazakhstan.
The project will be supported by Technical Assistance aimed at the introduction of credit scoring methodology to upgrade the bank's existing systems and policies for MSE lending, and thus, enabling BCC to reach an increased

number of MSEs.

The client:

Bank Center Credit is a universal mid-size bank with historical focus on Micro and SME lending and individuals. The bank operates a wide network of branches in Kazakhstan, and, thus, has a great potential to serve MSMEs nationwide, including in remote regions.

BCC is the sixth largest bank in Kazakhstan with total assets and equity of USD 7.3 billion and USD 591 million respectively as of end 2007.

EBRD finance:

A senior loan of USD 50 million.

Total project cost:

USD 50 million.

Environmental impact:

Bank Centre Credit is the Bank's existing client. BCC is already implementing as well is required to continue to implement the Bank's Environmental Procedures for Small and Micro Loans, including compliance with the applicable national environmental, health, safety and labour standards and regulations, adherence with EBRD's Environmental Exclusion and Referral Lists and submission of annual environmental reports to the Bank.

Technical cooperation:

BCC will be provided with TC aimed at improving the efficiency of MSE lending by introduction of Credit Scoring Methodology. The bank has previously received TC support under the KSBP programme from the EU, US and Japan. For consultant opportunities for projects financed by technical cooperation funds, visit [procurement of consultants](#).

Company contact:

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S.

Project name: ARX Private Equity Fund
Country: Regional
Project number: 38873
Business sector: Equity funds
Public/Private: Private
Environmental category: FI
Board date: 25 June 2008
Status: Passed final review, Pending board approval
Date PSD disclosed: 9 May 2008
Date PSD updated:
Project description and objectives: The proposed project is a regional private equity fund with a target size of EUR 125 million. The Fund will seek to invest directly in equity and equity related securities of companies operating in Central and South Eastern Europe.
Transition impact: The transition impact of the proposed project would come from the following areas:
(i) institution building and development of sustainable private equity managers in the lower mid-market of the region
(ii) restructuring of investee companies and accelerating the creation and development of industry leaders in the region, and
(iii) demonstration effects of new ways to finance activities in less advanced transition countries.
The client: Arx CEE III L.P. will be formed as a Jersey limited partnership.
EBRD finance: The EBRD will commit up to EUR 30 million.

Total project cost:	EUR 150 million.
Environmental impact:	The Fund will carry out its operations in accordance with the EBRD's Environmental Procedures for Private Equity Funds. The Procedures include compliance with the Bank's Environmental Exclusion and Referral List. The Fund will be required to submit annual environmental reports to the EBRD. Investee companies will be required to comply, at a minimum, with all applicable national health, safety, environmental and public information/consultation requirements.
Technical cooperation:	None. For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants .
Company contact:	Jaroslav Horak & Brian Wardrop Arx Equity Partners s.r.o. Senovazne namesti 8 110 00 Praha 1 Czech Republic Phone: +42 (022) 423 5399 Mail: paha@arxequity.com
EBRD contact:	Michael Bastholt, Operation Leader: bastholm@ebrd.com
Business opportunities:	For business opportunities or procurement, contact the client company.
General enquiries:	EBRD project enquiries not related to procurement: Tel: +44 20 7338 7168; Fax: +44 20 7338 7380 Email: projectenquiries@ebrd.com

III. ADDITIONAL INFORMATION AND ASSISTANCE:

- a. **US Advocacy Center-EBRD Liaison Office (AC-EBRD):** AC-EBRD is an integral part of U.S. representation at the EBRD with a mandate to increase the effectiveness of U.S. participation in the Bank's projects. For more information about project opportunities at the European Bank for Reconstruction and Development (EBRD) please contact:

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Note: AC-EBRD can offer its services only to US companies. EBRD procurement opportunities can be viewed at www.ebrd.com/oppor/procure/opps/index.htm. An updated list of EBRD publications can also be found on the main website www.ebrd.com